

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 HOUSE BILL 1720

By: Hill

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; defining
8 terms; authorizing income tax credit for certain
9 qualifying occupations; specifying amount of tax
10 credit; prohibiting credit from reducing income tax
11 liability to less than designated amount; providing
12 for carryover; providing for codification; and
13 providing an effective date.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2357.701 of Title 68, unless
17 there is created a duplication in numbering, reads as follows:

18 As used in this act:

19 1. "Compensation" means payments in the form of contract labor
20 for which the payor is required to provide a Form 1099 to the person
21 paid, wages subject to withholding tax paid to a part-time employee
22 or full-time employee, or salary or other remuneration.

23 Compensation shall not include employer-provided retirement, medical
24 or health care benefits, reimbursement for travel, meals, lodging or
any other expense;

1 2. "Institution" means an institution within The Oklahoma State
2 System of Higher Education or any other public or private college or
3 university that is accredited by a national accrediting body;

4 3. "Qualified employee" means any person employed in this state
5 by or contracting in this state with a qualified employer on or
6 after January 1, 2022, who has been awarded an undergraduate or
7 graduate degree from a qualified program by an institution and who
8 is compensated by a qualified employer for performance of service in
9 a qualifying occupation;

10 4. "Qualified employer" means a sole proprietor, general
11 partnership, limited partnership, limited liability company,
12 corporation, other legally recognized business entity, or public
13 entity;

14 5. "Qualifying occupation" means engineering in the field of
15 electronics, physics, solar energy, chemistry or related fields of
16 study either as an employee or independent contractor on behalf of a
17 private for-profit business establishment or a governmental unit
18 engaged in the research, development, production or sale of
19 batteries designed for power storage capacity over an extended
20 period and that could be used for the power supply of electric
21 vehicles or other applications requiring the ability to store
22 electric energy over a long period of time; and

23 6. "Qualified program" means a program that has been accredited
24 by the Engineering Accreditation Commission of the Accreditation

1 Board for Engineering and Technology (ABET) and that awards an
2 undergraduate or graduate degree.

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2357.702 of Title 68, unless
5 there is created a duplication in numbering, reads as follows:

6 A. For taxable years beginning on or after January 1, 2022, and
7 ending not later than December 31, 2026, a qualified employee shall
8 be allowed a credit against the tax imposed pursuant to Section 2355
9 of Title 68 of the Oklahoma Statutes of up to Five Thousand Dollars
10 (\$5,000.00) per year for a period of time not to exceed five (5)
11 years.

12 B. The credit authorized by this section shall not be used to
13 reduce the tax liability of the taxpayer to less than zero (0).

14 C. Any credit claimed, but not used, may be carried over, in
15 order, to each of the five (5) subsequent taxable years.

16 SECTION 3. This act shall become effective January 1, 2022.

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